

# **Exhibit A**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MASSACHUSETTS

SCANSOFT, INC.,

Plaintiff

-VS-

VOICE SIGNAL TECHNOLOGIES, INC.,

LAURENCE S. GILICK, ROBERT S. ROTH,

JONATHAN P. YAMRON, and

MANFRED G. GRABHERR,

Defendants

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) CA No. 04-10353-PBS  
) Pages 1 - 28  
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MOTION HEARING

BEFORE THE HONORABLE PATTI B. SARIS  
UNITED STATES DISTRICT JUDGE

United States District Court  
1 Courthouse Way, Courtroom 19  
Boston, Massachusetts  
December 12, 2005, 3:15 p.m.

LEE A. MARZILLI  
CERTIFIED REALTIME REPORTER  
United States District Court  
1 Courthouse Way, Room 3205  
Boston, MA 02210  
(617) 345-6787

## A P P E A R A N C E S:

ERIK PAUL BELT, ESQ. and LISA M. FLEMING, ESQ.,  
Bromberg & Sunstein, 125 Summer Street, Boston,  
Massachusetts, 02110-1618, for the Plaintiff.

KENNETH A. COHEN, ESQ., J. ANTHONY DOWNS, ESQ., and  
PAUL F. WARE, ESQ., Goodwin Procter, LLP, Exchange Place,  
53 State Street, Boston, Massachusetts, 02109, for the  
Plaintiff.

DOUGLAS J. KLINE, ESQ., Testa, Hurwitz & Thibault, LLP,  
125 High Street, Boston, Massachusetts, 02109, for the  
Plaintiff.

ROBERT S. FRANK, JR., ESQ. and SARAH CHAPIN COLUMBIA,  
ESQ., Choate, Hall & Stewart, Two International Place,  
Boston, Massachusetts, 02110, for the Defendants.

P R O C E E D I N G S

THE CLERK: The case of ScanSoft, Incorporated V. Voice Signal Technologies, et al, Civil Action No. 04-10353, will now be heard before this Court. Will counsel please identify themselves for the record.

MR. COHEN: Kenneth Cohen from Goodwin Procter representing ScanSoft.

MR. KLINE: Doug Kline of Testa Hurwitz representing ScanSoft.

MR. FRANK: Robert Frank and Sarah Columbia representing the defendant, Voice Signal Technologies.

MR. BELT: Eric Belt. I also have Lisa Fleming here from Bromberg & Sunstein for ScanSoft.

THE COURT: We're here on our motion to disqualify?

MR. FRANK: Yes, your Honor.

THE COURT: Do you want to be heard?

MR. FRANK: Yes, thank you. I bring this motion with no particular relish. In the week that I engaged in conversation with Goodwin Procter about this, I cleared another conflict involving another case before your Honor, and I met with Mr. Cohen before this started to lay out the facts in the hope that this could be avoided.

The question for your Honor is whether Goodwin Procter will be permitted to become the second counsel in

1 this case for ScanSoft. There is no suggestion that prior  
2 counsel are not willing, able, and very competent to  
3 proceed. There's no suggestion of delay or disruption. The  
4 issue was raised promptly after Goodwin filed a notice of  
5 appearance. The question is whether the conversations  
6 between Voice Signal Technologies, the defendants, and  
7 Goodwin Procter established an attorney-client relationship  
8 between Voice Signal and Goodwin Procter.

9 It is undisputed that Voice Signal had preliminary  
10 conversations with Goodwin Procter at the outset of this  
11 case, that the law firm met with Voice Signal on two separate  
12 occasions for a period of several hours, and that after each  
13 of those meetings, there were e-mail and telephone  
14 communications. It's agreed that the first meeting was more  
15 general in character, and the second meeting was more  
16 specific in character.

17 After the first meeting there was an extended  
18 exchange of E-mails --

19 THE COURT: Do I have all those E-mails?

20 MR. FRANK: You do not, you do not have any of  
21 them, although I am quite prepared to provide them to the  
22 Court if you --

23 THE COURT: Because one of the things that's  
24 striking me as very difficult about this case is whether I  
25 can address the motion to disqualify based on this very

1 contentious paper record -- "Yes I did. No, I didn't. I  
2 don't remember this. Yes, I did" -- or whether I need to  
3 refer this to either a master or a magistrate judge to make  
4 fact findings.

5 MR. FRANK: Well, let me say this: What I hope to  
6 do this afternoon is to try to confine my argument to that  
7 which is essentially undisputed. And let me concede that  
8 there are a number of facts which are in dispute, and it may  
9 be that you will choose at the end of this to do that, but  
10 let me point out what is undisputed, and then you can  
11 decide. The first of these meetings was on February 26,  
12 2004. After that meeting, Paul Ware of Goodwin Procter  
13 e-mailed the president of Voice Signal saying, "Dan, We would  
14 like to have a follow-up and discuss some things that we are  
15 thinking. We could also do some more digging over the  
16 weekend," and then there's some discussion about when they  
17 might get together.

18 Thereafter -- that occurred at 10:44 in the morning  
19 on February 27 -- at 12:01 that day, Mr. Downs of Goodwin  
20 Procter sent an E-mail to Mr. Roth, the president of Voice  
21 Signal, in which he said, "In advance of our get-together, is  
22 there any information you can fax or e-mail to us  
23 concerning, for example --" a particular subject matter and  
24 particular documents that were executed in connection with  
25 that subject matter? And one of the things that I'm

1 conscious of here, your Honor, is not waiving the  
2 attorney-client privilege.

3 THE COURT: Yes. And to boot, some of this  
4 information, if I become a fact-finder in any way -- as I was  
5 reading this, I was struck with the fact Goodwin Procter has  
6 attacked your affidavit as being too general. I was trying  
7 to figure out a solution for that because in some ways, if  
8 you disclose it, you're disclosing the heart of the matter.  
9 On the other hand, how do they respond without the  
10 specifics? And I was thinking that it might make sense to  
11 have either a magistrate judge or a master who has no vested  
12 stake in the matter, you know, someone who won't be trying  
13 it, sit and parse through it all.

14 MR. FRANK: Let me say this. In Bays V. Theran,  
15 which is the central Massachusetts law case, the judge  
16 disqualified counsel based upon a description of the subject  
17 matters that were discussed as distinguished from the  
18 specifics of those discussions. And I'm perfectly prepared  
19 to describe those subject matters, and indeed I'm prepared to  
20 go further, as long as there's not going to be some claim of  
21 privilege waiver that follows from my having disclosed --

22 THE COURT: I tell you what. I won't interrupt.  
23 You say what you have to say. I'll let opposing -- just know  
24 in the back of my mind is the concern about whether I need a  
25 fact-finding, because it's heavily disputed what was said and

1 what wasn't said and how much of it was advice versus public  
2 information and that sort of thing. So you go do your thing,  
3 but just keep that in the back of your mind.

4 MR. FRANK: So this is at noon on Friday,  
5 February 27. "In advance of our get-together --" this is  
6 Goodwin Procter to Voice Signal -- "is there any information  
7 that you can fax or e-mail to us concerning, for example, the  
8 prior litigation between Voice Signal and Lernout & Hauspie  
9 and releases that were executed or the filing made by  
10 ScanSoft in an effort to avoid the effect of your earlier  
11 settlement (and any decision on that filing)? I'd be happy  
12 to review whatever you have handy, even if it's partial."

13 At 1:04 Mr. Roth responded with a description of  
14 certain events in connection with the prior litigation, which  
15 events would not have been known to ScanSoft or some of which  
16 events would not have been known to ScanSoft and some of  
17 which would have been known to ScanSoft. It's a description  
18 generically of events that occurred in the prior litigation  
19 between Voice Signal on the one hand and Lernout on the other  
20 hand and ScanSoft's efforts to intervene in that litigation  
21 at a prior point in time.

22 At 12:47 that same day, Mr. Roth sent certain  
23 documents to Goodwin Procter, which were a settlement  
24 agreement and certain releases, nonpublic documents that were  
25 given to Goodwin Procter in response to Mr. Downs's request



1 for further factual information. Later that afternoon at  
2 5:06, Mr. Roth sent four separate court papers relating to  
3 the prior lawsuit. At 7:05 that evening, Mr. Downs of  
4 Goodwin Procter sent an E-mail to Mr. Roth which he marked  
5 "privileged" in which he said, "After a brief search, here  
6 is some potentially helpful prior art, none of which is cited  
7 in the patent."

8           Thereafter the parties met for an extended period  
9 on February 1, and the following, I think, can be distilled  
10 from the conflicting affidavits: First, there was a  
11 discussion of prior art and its relationship to the patent in  
12 suit in this case. Everyone agrees that there was discussion  
13 of the prior art that Goodwin Procter had dug up for Voice  
14 Signal and provided to Voice Signal. The point of dispute is  
15 whether there was also a discussion that day of prior art  
16 that Voice Signal had dug up and which it says it disclosed  
17 to Goodwin Procter and which Mr. Downs says he has no memory  
18 of seeing.

19           Second, Voice Signal says that it discussed ways in  
20 which the design of its product might be changed so as to  
21 move it further away from the claims of the patent.  
22 Mr. Downs's responsive affidavit says that the question of  
23 whether there was an easy design-around is something that a  
24 patent lawyer would almost certainly ask, Paragraph 16 of his  
25 affidavit, but that he did not specifically recall any

1 discussion of design-arounds.

2 Third, in his affidavit, Mr. Roth says there was a  
3 subject of pricing, of damage exposure, of the effect that  
4 the mere bringing of the case was having on Voice Signal and  
5 about VoiceSignal's early discussions of settlement.  
6 Mr. Downs says in his affidavit that he sees in his affidavit  
7 a reference to one chip per phone, a number that he believes  
8 is a price number, and the names of certain customers.

9 Fourth, Voice Signal sent information to Goodwin  
10 Procter, it's undisputed, about the prior litigation. Some  
11 of it was client work, or at least VoiceSignal's narrative  
12 description of things that had happened. Some of it were  
13 documents that were not in the public record and not  
14 available to ScanSoft, and some of it were documents that  
15 were in the public record and could with effort have been  
16 obtained. There is, I think, no -- they were requested by  
17 Goodwin Procter and provided, and it is a fair inference that  
18 they were thereafter discussed at the meeting on March 1  
19 between Goodwin Procter on the one hand and Voice Signal,  
20 just as it is a fair inference that if Goodwin Procter  
21 supplied prior art for the purpose, that there was a  
22 discussion of that prior art and of its relationship to the  
23 patents.

24 Fifth, it is undisputed that after the second  
25 meeting, Mr. Roth sent an E-mail to Goodwin Procter in which

1 he sought advice with respect to the advisability of putting  
2 the relevant patent into reissue and stated two separate  
3 potential tactical reasons why that might be a good idea.  
4 His affidavit states that Mr. Downs responded to his inquiry  
5 about the wisdom of doing such a thing and that they  
6 discussed the pros and cons of a reexamination proceeding.  
7 Mr. Downs's affidavit says that he does not recall coming to  
8 a conclusion, but there's no dispute that those two possible  
9 benefits of a reexamination proceeding were discussed. And  
10 it's undisputed that Goodwin Procter marked its E-mails or  
11 certain of its E-mails to Voice Signal as "privileged," and  
12 there is no explanation for why those E-mails would have been  
13 marked as "privileged" if Goodwin Procter did not believe  
14 that there either was then an attorney-client relationship,  
15 or that if they were later retained, it could be asserted  
16 that there was then an attorney-client relationship.

17 Now, the test is set forth in Bays V. Theran, and  
18 that involved a situation in which the --

19 THE COURT: I know the case.

20 MR. FRANK: Okay, two or three telephone  
21 conversations each for less time. And the Court said that  
22 the facts found by the judge that the client communicated  
23 with the lawyer by mail and telephone with a view to possibly  
24 retaining him, that the client discussed with the lawyer  
25 various aspects of a potential suit, and that the lawyer

1 counseled the client concerning some of the basic legal  
2 considerations involved in the suit, those facts warranted  
3 the judge's conclusion that an attorney-client relationship  
4 had been formed because -- and those facts are awfully close  
5 to these facts.

6           The thing that had not been decided at the time of  
7 the Bays case was whether the court would require, require a  
8 disclosure, a proof of disclosure of confidential  
9 information, or whether all that it would require is the  
10 existence of a substantial relationship between the  
11 consultation on the one hand and the lawsuit in which the  
12 lawyer or that law firm wished to represent the other side  
13 after that in the same case. And after Bays, the Supreme  
14 Judicial Court adopted Rule 1.9 of the Rules of Professional  
15 Conduct, which expressly adopts the substantial relationship  
16 test, and which applies if there's a substantial relationship  
17 between the prior representation and this representation,  
18 undisputed here because it's the same case, and if the  
19 parties are adverse to one another, undisputed because this  
20 is the same case, and they're simply switching from one side  
21 to the other.

22           The rest of the response essentially is that -- and  
23 Bays says that if the substantial relationship test applies,  
24 later adopted by rule, "A subsequent representation is  
25 prescribed on the sole ground that the later suit, simply

1 because of its substantial relation to the former one,  
2 exposes the attorney to an intolerably strong temptation to  
3 breach his duty of confidentiality to the former client. The  
4 former client need never prove that the attorney actually  
5 misused the confidences to the client's disadvantage."

6 Now, the Goodwin Procter response is on two or  
7 three levels, and I'll just talk about one or two of them,  
8 and that will be enough. One is that Mr. Downs states that  
9 he does not remember the details of his communications with  
10 Voice Signal. And I respectfully suggest two things with  
11 respect to that: One, that can't be the test. I don't  
12 question Mr. Downs's integrity, but I do say that if the test  
13 is merely that a lawyer comes in and says that he does not  
14 remember the details of the conversation, that that leaves  
15 the door wide open for unscrupulousness.

16 More to the point, if Mr. Downs is anything like  
17 me, once he gets up to his armpits in this case, he will  
18 remember things about that conversation or he may remember  
19 things about that conversation --

20 THE COURT: To your knowledge, are Mr. Ware and  
21 Mr. Downs involved in the case right now, or has that been  
22 put on hold?

23 MR. FRANK: I know that it's proposed that Mr. Ware  
24 be lead counsel. In fairness, I should say that it is said  
25 that Mr. Downs will not be participating in the case. In the

1     Bays case, the lawyer requested was simply another lawyer in  
2     the same law firm. Mr. Ware, who was involved in both of the  
3     communications with Voice Signal, has put in an affidavit in  
4     which he acknowledges that there were promises of  
5     confidentiality made, but says that his memory of the  
6     conversations is very limited. I simply make the point that  
7     it is, accepting the truth of that -- and I have no basis for  
8     challenging it, just as I could not challenge it in any other  
9     case -- accepting the truth of that, the chances that his  
10    memory will be jogged by extended exposure to the facts are  
11    something that cannot otherwise be valued.

12           THE COURT: Would it cure your problem as a  
13    practical matter if we carved Mr. Ware and Mr. Downs out of  
14    this case with a Chinese wall?

15           MR. FRANK: No. First, I think, as a legal matter,  
16    that is not the question. There's a case called --

17           THE COURT: Well, you may be right as a legal  
18    matter, but I'm just talking about as a pragmatic basis, if  
19    you took the two of them out of it and you had Mr. Kline or  
20    someone else who had no involvement with Voice --

21           MR. FRANK: The answer is obviously, as a practical  
22    matter, that reduces the risk. But to be weighed against  
23    that is the fact that ScanSoft already has very good counsel,  
24    that there are any number of lawyers in the world who could  
25    be retained as second counsel who are just as competent as

1 the very competent lawyers at Goodwin Procter.

2 THE COURT: Well, can I ask you this? Has this  
3 dispute essentially put this whole litigation on hold?

4 MR. FRANK: No, but it hasn't helped any.

5 THE COURT: Well, who's been moving it along,  
6 Mr. Bromberg?

7 MR. FRANK: Bromberg & Sunstein. We've been  
8 negotiating -- for example, we will be presenting to you very  
9 shortly -- my firm is stuck in a dispute with Bromberg &  
10 Sunstein about the procedures for the court-appointed expert  
11 which we're going to --

12 THE COURT: Because I don't want to put the whole  
13 thing on hold. I mean, Goodwin should just be sort of  
14 sidelined while the rest of the case is going forward.

15 MR. FRANK: Absolutely, and it is going forward.

16 THE COURT: And you have a claim on your claim  
17 construction at some point that I've never really gotten  
18 resolved, right?

19 MR. FRANK: That is correct, although, again, just  
20 to remind you of how you got to where you are, we got to the  
21 argument about claim construction and --

22 THE COURT: I got annoyed because there were so  
23 many different terms that you raised, just like a phone book  
24 full. But I still need to address that, right?

25 MR. FRANK: I'm sure your Honor -- what your Honor

1 said was that it was not possible to tell at that time  
2 whether these issues were real issues or not real issues  
3 because we had not seen the source code for their product.  
4 Your Honor said that one of the things that the  
5 court-appointed expert should undertake is to consider  
6 certain factual issues looking at that source code so that we  
7 could tell whether these were issues that we're working on --

8 THE COURT: Or just abstract definitional things.  
9 All right, so thank you very much. I have another case I  
10 think at 4:00? Is that what time?

11 THE CLERK: No, 3:30.

12 THE COURT: We're busy this afternoon. All right,  
13 so why don't we just hear from you. I'm obviously  
14 concerned.

15 MR. COHEN: I understand, your Honor. Let me try  
16 to explain where we agree and where we disagree to get rid of  
17 some underbrush. The test, as Mr. Frank says, is to try to  
18 determine whether Goodwin Procter ended up in an  
19 attorney-client relationship with VST as a result of these  
20 preliminary meetings. One step below that ultimate question,  
21 however, I think there are two really large disagreements  
22 about the analytical structure for figuring this out, and let  
23 me try briefly to do those and then say just a few words  
24 about the facts, because I may not be able to solve your  
25 factual questions, given what you said to Mr. Frank.



1 First, the VST papers and Mr. Frank today ignore  
2 what may be the largest single fact in the situation, or more  
3 than a fact, maybe a lens through which one should  
4 appropriately look at the two meetings and accompanying  
5 E-mails that Mr. Frank has described, and that is that unlike  
6 the situation in Bays and unlike the situation in Mailer  
7 V. Mailer, Norman Mailer's divorce from his third of many  
8 wives, which were the two leading --

9 THE COURT: Is that what the Mailer is?

10 MR. COHEN: It is. Monroe Inker talked to  
11 Mrs. Mailer number three and then ended up representing  
12 Norman Mailer, and that's what led to that dispute. Those  
13 are the two leading SJC cases that we've got on the table.  
14 In those cases, we have individuals, relatively  
15 unsophisticated individuals calling a lawyer, briefly,  
16 preliminary discussions. The question is whether the  
17 discussions went far enough to establish an attorney-client  
18 relationship.

19 Here we have a sophisticated high-tech company  
20 with, I think, in-house counsel, but, in any event, Choate  
21 Hall representing it already on other matters, explicitly  
22 saying, presumably to Mr. Frank as well as to Mr. Ware,  
23 "We're trying to choose counsel. We want to interview you  
24 in order to decide whether to hire you or not." That doesn't  
25 mean that there cannot have been too much interaction and

1     hence an attorney-client relationship established. I'm not  
2     trying to say there's a legal safe harbor there, but I am  
3     trying to say this is a highly relevant factor because many  
4     of the cases that talk about figuring out whether preliminary  
5     discussions led to an attorney-client relationship phrase the  
6     question in terms of, was there a reasonable expectation, a  
7     reasonable belief on VST's part in this situation, that  
8     Goodwin Procter in this situation had become its lawyer?  
9     Usually in these cases the fight is whether there was such a  
10    belief, and the fight is whether it was reasonable or not,  
11    given the circumstances.

12                 Here I suggest to you that if we do look backwards  
13    at where the players' heads were a year and a half ago, VST  
14    would have told you, or us or Choate Hall or anyone else,  
15    that they had not yet hired Goodwin Procter, they were trying  
16    to decide whether to hire Goodwin Procter; and that far from  
17    the question about reasonable belief or not that Goodwin was  
18    already its lawyer, I don't think there was any belief at all  
19    that Goodwin was its lawyer. They were interviewing Goodwin  
20    and trying to figure out, how will you go if hired?

21                 THE COURT: The word "privileged,  
22    confidential," all those. The question is, here it's not  
23    black and white. It's gray here.

24                 MR. COLEMAN: It is not at all black and white.

25                 THE COURT: And why doesn't Goodwin Procter -- it's

1 a sophisticated firm, this must happen all the time -- send a  
2 letter to people saying, "Don't send us stuff. I'm not your  
3 lawyer until --" I mean, this shouldn't have happened.

4 MR. COHEN: It should not have happened. This is a  
5 problem in significant part of our own making, and that isn't  
6 dispositive all by itself either, but it's clearly a factor.  
7 This is complicated. And what I want to tell you second  
8 about the place at which Choate Hall and we disagree about  
9 the analytical structure is that this is not a sort of an  
10 off switch/on switch: If you find X, then you're  
11 disqualified. If you don't find X, then you're still in the  
12 game. The analysis at the SJC is in a very fundamental way,  
13 which I'll spend two minutes on, if I may, fuzzier than that.  
14 And where it leaves the trial court judge, it seems to me, is  
15 free to exercise judgment in following what -- you said  
16 you're familiar with the Bays case. My take on that and the  
17 Mailer case is not so much about the stated standard but  
18 about where are we when the dust settles? Despite all the  
19 discussion of confidential information and legal advice  
20 given, where are we at the end of those cases?

21 And, by the way, confidential information is again  
22 a factor in determining attorney-client privilege. It is not  
23 itself a dispositive "Sorry, you're gone, you have to leave  
24 the courtroom" issue. It is one of the major factors, again,  
25 in determining whether an attorney-client relationship came

1 about.

2           The interesting thing about Bays, which took me a  
3 second reading to see, is that while they were affirming a  
4 trial court's decision to say, you know, there was  
5 confidential information, in fact there it was concrete in a  
6 way, to answer one of your other questions that I'll get to  
7 in a minute. You can see without waiving the privilege  
8 really what was being discussed. There was confidential  
9 information about the way in which the common area  
10 calculations in this condo were calculated, full information  
11 given, according to the SJC's report of the trial judge, and  
12 some legal advice about that. So we have both confidential  
13 information and we have a legal advice given. And while they  
14 affirm what the trial court did, what the trial court did was  
15 in the first order say, "Sorry, you're disqualified," and in  
16 a second order say, "You know, we're not going to kick you  
17 out of the case after all. We're going to let you keep  
18 representing the other side, the new client, except where  
19 that confidential information gives you a real advantage."  
20 They bifurcated the trial and said, "You can't try it on the  
21 93A trial, but you can on the other."

22           THE COURT: As a practical matter, your client has  
23 been beating down my door -- well, ScanSoft, Mr. Bromberg's,  
24 "Hurry up, hurry up, hurry up, get this going," pressure,  
25 pressure, pressure, all right? "There are trade secrets.

1 They're killing our company." As a practical matter, it's  
2 either going to take me a few months to write up this mess,  
3 or I'm going to refer it to a master to make fact findings.  
4 And while this is happening, I can't have your firm  
5 involved.

6 MR. COHEN: That may be right, and then the client,  
7 if you come out there at the end of this discussion, then the  
8 client will have to decide if they want us to pursue this in  
9 front of the magistrate or not. I understand that will be an  
10 issue that --

11 THE COURT: But in the meantime, the case is going  
12 to move forward, and I would enjoin your participation in  
13 it. So I've got a problem because the words "privileged"  
14 were used, the words "confidential, I'll keep your  
15 confidentiality" were involved. There's an allegation that  
16 they were seeking legal advice from Goodwin before Goodwin  
17 was even hired, and that in exchange, prior art was  
18 investigated. I mean, this is not a slam-dunk for you.

19 MR. COHEN: It is not at all a slam-dunk, although  
20 the cases also have resolved issues without resolving -- that  
21 is, there are other ways than referring this to a master.  
22 And maybe you'll decide at the end that that's what you have  
23 to do. I do not say this is a trivial issue. I understand  
24 there are some disputes of fact, but, for example, in the  
25 Mailer case, the ex-wife, about to be ex-wife, says that she

1 told Monroe Inker a whole lot of stuff about their intimate  
2 relationship and the grounds for divorce, and he denied that,  
3 and the trial judge said, "No, it's just implausible." And  
4 to some extent, if you don't want to go there, obviously --

5 THE COURT: I don't buy it. I know Mr. Downs and  
6 Mr. Ware. I've had many patent cases. It's not implausible  
7 that they were trying to be as helpful as possible so that  
8 they'd get the business, and they're fabulous lawyers, so  
9 it's not implausible. It's not like telling your sexual  
10 intimate details. I mean, of course they're going to try and  
11 help.

12 MR. COHEN: Yes, but at the level of -- a patent  
13 case is not the same as, how do you calculate the common area  
14 percentages in a condo? If you imagine two meetings of  
15 approximately an hour each and all these topics being  
16 discussed, I don't think it's plausible that Goodwin could  
17 have gone beyond saying "No claim construction. We haven't  
18 seen the patent file. We haven't seen whatever --" There's  
19 no allegation that whatever prior art VST had already thought  
20 about was ever actually given as opposed to talked about. It  
21 seems implausible that they could have given legal advice,  
22 "This is the answer," as opposed to, "Here's what we'll  
23 explore if you hire us."

24 And the problem with this level of generality,  
25 which you referred to already, "How do I decide?" it seems to

1 me that where they have some ultimate burden to show that we  
2 should be disqualified here to overcome the right of an  
3 entity to choose counsel on its own, that what happened in  
4 those other cases? Without giving away the privileged  
5 information, there were ways to talk about the information  
6 disclosed that made it clear to the courts there, as opposed,  
7 I suggest, to the affidavits here that say, for instance, "We  
8 talked about our products including future products." Well,  
9 it's a year and a half later. And time, by the way, is the  
10 factor in the cases before. Things get stale. They may be  
11 confidential but now public. They may be confidential but  
12 obviously to be discovered in plain view in discovery in this  
13 case once there's litigation.

14 It's easy enough to say there was discussion of our  
15 products, but that doesn't really convey any real likelihood  
16 that there is something secret about the products that isn't  
17 known from the kind of case, the kind of patent it is, the  
18 kind of --

19 THE COURT: But that's where it's impossible for me  
20 to decide because it's not that it's so implausible; it's  
21 just that if they disclose the level of detail you want, A,  
22 if I keep you in the case, that they've now refreshed their  
23 recollection, and to boot, I'll find out, and it could be  
24 something that is or isn't relevant to some decision I make  
25 which may be prejudicial to them. I don't know. So that's



1       why I'm probably not the best fact-finder here.

2               MR. COHEN: Well, I wanted to disclose the E-mails  
3       as well. And when we thought about it for a minute, because  
4       we think in the end that they will show that there is not  
5       enough here, but we thought about it and said, wait, since  
6       it's unclear yet, unresolved yet whether we did establish an  
7       attorney-client relationship, we felt we could not give you  
8       the E-mails. And Mr. Frank is, I think, right about where we  
9       are on the E-mails. I would think that the E-mails and the  
10      other evidence are something that a magistrate judge or  
11      another finder of fact or somebody could decide to look at  
12      easily --

13             THE COURT: Who's the magistrate judge on this,  
14      Judge Alexander?

15             MR. COHEN: -- could look at quite quickly, if you  
16      wanted to go that way. And that would help give a sense of,  
17      is this really legal advice, or is this raising issues to be  
18      thought about --

19             THE COURT: Well, I will tell you, they've raised a  
20      prima facie case for disqualification, just based on the word  
21      "privilege" being used, "confidential," the allegation that  
22      Mr. Downs did research and came up with some prior art,  
23      discussion of settlement, et cetera. Whether it proves up, I  
24      don't know, but I certainly can't leave you in the case while  
25      this is out there. Now, so I can either -- and maybe what



1 would make some sense is to go back and talk to your client  
2 about what should happen here. I have three choices. One, I  
3 could get all these E-mails and, based on the current record,  
4 just make a decision. Two, I could refer it to  
5 Judge Alexander for fact-finding and enjoin participation for  
6 Goodwin Procter while -- so the rest of the case essentially  
7 can move on. I mean, I guess the third option would be some  
8 sort of pragmatic, yes, Mr. Kline could do it but not the  
9 attorneys involved, but it sounds as if that that's not  
10 something that Mr. Frank is interested in. So I suggest you  
11 just have some heartfelt discussions with your client.

12 But in the interim, this is what I'm going to do:  
13 I am going to take this under advisement. I will either  
14 refer it to a magistrate judge or issue an opinion on the  
15 record. I'll think about that. But in the meantime, Goodwin  
16 Procter shouldn't be involved. Bromberg should be involved  
17 as it has been all along. I assume they're still counsel,  
18 right?

19 MR. COHEN: They are, your Honor, that's correct.

20 THE COURT: And you need to be getting me stuff,  
21 right?

22 MR. FRANK: Yes.

23 THE COURT: And so how far along is that master's  
24 issue?

25 MR. FRANK: We have exchanged proposed procedures,

1 and I think it would be fair to say that they're quite  
2 divergent. We need to serve them up to you, I respectfully  
3 suggest, along with a short explanation by each of us as to  
4 why we think, each of us thinks its version is consistent  
5 with your prior orders and otherwise appropriate. For our  
6 part, we can certainly do that by the end of this week, and I  
7 assume that you can as well.

8 MR. BELT: We can.

9 MS. FLEMING: Yes.

10 THE COURT: So my proposal with respect to that, if  
11 your Honor will permit it, is that by close of business on  
12 Friday, we submit to you both our respective proposals with  
13 respect to a court-appointed master procedures.

14 THE COURT: Does that sound okay?

15 MR. BELT: Yes.

16 MS. FLEMING: In addition, your Honor, we did  
17 submit a joint letter to the Court recommending the  
18 appointment of Professor Hermann Ney.

19 THE COURT: Where's he from?

20 MS. FLEMING: He's in Germany, your Honor.

21 THE COURT: Oh, yes, the German. So he's going to  
22 fly in here?

23 MS. FLEMING: He has represented that he will make  
24 himself available.

25 THE COURT: The closest you could find a guy

1 without a conflict was Germany?

2 MS. FLEMING: That's right, your Honor, and we  
3 worked at this for a long time.

4 MR. BELT: He speaks very good English.

5 THE COURT: I hope so because, remember, he's got  
6 to teach me what this is all about.

7 MR. FRANK: Yes, he does, and he understands that  
8 that's part of the role. May I have two sentences?

9 THE COURT: Yes, and then I have a criminal  
10 pretrial.

11 MR. FRANK: The core question here is or the core  
12 consideration is that there is no prejudice whatever to  
13 ScanSoft if Bromberg & Sunstein, which is very good,  
14 continues to represent them. There is substantial potential  
15 prejudice to VoiceSignal if people at Goodwin Procter were in  
16 the position where they were receiving confidential  
17 information. And there's no dispute but that Goodwin Procter  
18 encouraged the submission of information. I read to you part  
19 of that E-mail. No dispute that they marked their E-mails  
20 "privileged," and no dispute that in the cases we're talking  
21 about, Bays and Mailer, the client was overtly seeking --

22 THE COURT: Yes, could you submit those E-mails to  
23 me and delete out anything you think I shouldn't see; I mean,  
24 just the stuff you read?

25 MR. FRANK: Certainly. Oh, you'll have them

1 tomorrow.

2 THE COURT: Does that make sense?

3 MR. COHEN: It does, your Honor, and I would  
4 suggest that we should probably write to the Court within the  
5 next few days after consulting with our client about whether  
6 a reference to Magistrate Alexander would be appropriate or  
7 whether, gee, given the time that would take, the client is  
8 going to change its mind or not.

9 THE COURT: Yes, I think that makes a lot of sense.

10 MR. COHEN: I do too. I do think we should not  
11 forget that -- you've quoted this before -- that I think  
12 Mr. Frank is turning the burden on its head to say, gee,  
13 there will be no prejudice to the client if it doesn't use  
14 Goodwin Procter. We start with the premise that the client,  
15 unless there's disqualification grounds shown, is entitled to  
16 the counsel of its choice.

17 THE COURT: My point is that they've clearly made  
18 enough of a case to have me take this seriously, so I'm going  
19 to either sit myself and look through the E-mails and the  
20 affidavits -- and I hate doing that because I know how  
21 scripted both sides can be on the affidavits -- or just have  
22 somebody here, live bodies. Now, it could be me, but that  
23 would take a really long time because I'm starting a big  
24 trial in January.

25 MR. COHEN: We'd rather have the magistrate do it

1 in the interest of time. And the E-mails of course are not  
2 scripted because on both sides they were done without this in  
3 mind.

4 THE COURT: Right. And the bottom line is, the  
5 other concern about me doing it is that there may be things  
6 that should come out which you don't want me to hear that may  
7 affect my judgment of the case, willfulness, inequitable  
8 conduct, all those kinds of things that you just might not  
9 want me to hear. And so I think it does make some sense to  
10 have a report and recommendation, but I think it will take a  
11 while. It's Christmastime, and I just can't see holding up  
12 this whole suit when both sides have been banging down my  
13 door on it. I sort of wondered why I wasn't hearing from  
14 anyone.

15 MR. COHEN: Well, we're not suggesting that you  
16 wait, and we'll try to move as rapidly as we can in front of  
17 the magistrate if the client still wants us to do that.

18 THE COURT: Right. And I think, you know, two  
19 great firms in the city, on balance, there may be a more  
20 practical solution to all of this, so I look forward to  
21 hearing from you in a few days.

22 MR. COHEN: Thank you, your Honor.

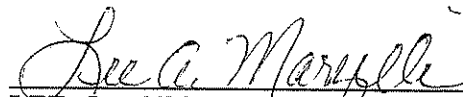
23 (Adjourned, 3:55 p.m.)  
24  
25

C E R T I F I C A T E

UNITED STATES DISTRICT COURT )  
DISTRICT OF MASSACHUSETTS ) ss.  
CITY OF BOSTON )

I, Lee A. Marzilli, Official Federal Court  
Reporter, do hereby certify that the foregoing transcript,  
Pages 1 through 28 inclusive, was recorded by me  
stenographically at the time and place aforesaid in Civil  
Action No. 04-10353-PBS, ScanSoft, Inc. V. VoiceSignal  
Technologies, Inc., et al, and thereafter by me reduced to  
typewriting and is a true and accurate record of the  
proceedings.

In witness whereof I have hereunto set my hand this  
18th day of December, 2005.



LEE A. MARZILLI, CRR  
OFFICIAL FEDERAL COURT REPORTER